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INFO RUCNASE/ASEAN MEMBER COLLECTIVE

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RUEHBY/AMEMBASSY CANBERRA 1941

RUEHUL/AMEMBASSY SEOUL 4061

RUEHKO/AMEMBASSY TOKYO 5660

RUEHWL/AMEMBASSY WELLINGTON 1339

RHEHNSC/NSC WASHINGTON DC

RHHMUNA/CDR USPACOM HONOLULU HI

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C O N F I D E N T I A L SECTION 01 OF 03 SINGAPORE 001404

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TAGS: PGOV PREL PHUM ECON FFIN SN

SUBJECT: PM LEE HSIEN LOONG: ME AND MY (DAD'S) SHADOW

REF: A. SINGAPORE 728

1B. 06 SINGAPORE 1486

Classified By: Acting E/P Chief Chris Kavanagh. Reasons 1.4(b)(d)

11. (C) Summary: After almost three years as Prime Minister, Lee Hsien Loong still has not come out of the shadow of his father, modern Singapore's founding father Lee Kuan Yew (LKY). Long seen as arrogant and preordained to take over the reins of government, PM Lee has been successful in softening his image and assuring Singaporeans that he is not the same stern, autocratic figure his father is. Policy continuity has marked PM Lee's tenure, as he has focused on promoting economic growth and competitiveness. At critical and even routine times, however, LKY takes center stage, seemingly relegating his son to the sidelines, notably during last year's elections. The two have even offered different explanations to the press on LKY's role in the cabinet. Singaporeans, possibly including the PM, seem to find LKY's prominence and engagement reassuring. But PM Lee could pay a political price after LKY's passing if he fails to establish himself as a force in his own right. End Summary.

The Anointed One

12. (C) Prime Minister Lee Hsien Loong long seemed preordained to take over the reins of government from his father, Singapore's founding father Lee Kuan Yew (LKY), who now has the peculiar title of "Minister Mentor." Following a brilliant academic career at Cambridge and his meteoric rise in the Singapore Armed Forces (he made Brigadier General at age 32), Lee Hsien Loong left the military and entered politics in 1984. He soon joined the cabinet and became Deputy Prime Minister in 1990 to then-Prime Minister Goh Chok Tong, who had succeeded LKY when the latter "retired" in 11990. Lee succeeded Goh as Prime Minister in August 2004. Despite his acknowledged intellectual and analytical skills, Lee had long been dogged by perceptions that his rise to power had as much to do with his family connections. (The Lee family bristles at the word "nepotism" and threatens or sues for defamation anyone who mentions it.) Lee also acquired a reputation as brash and arrogant in his younger days.

Let the Son Shine

13. (C) Even before he became PM, Lee Hsien Loong began working to soften his public image and leadership style

to project a more caring side to Singaporeans and assure them that he was not the same stern autocratic figure his father is. PM Lee has largely succeeded in portraying himself as a more approachable and sympathetic character. At the same time, he has failed to put a strong personal stamp on government policy, even as he has largely abandoned the consultative approach to governing that Goh Chok Tong employed as PM. Goh frequently used public committees (consisting of representatives from the private sector, academia, and government) to review government policies and identify new options, Institute of Policy Studies (IPS) researcher Gillian Koh told us. Instead, PM Lee and the GOS have contracted with local think tanks to research policy issues (such as the impact of the government's "baby bonus" scheme on Singapore's low birth rate) and present recommendations privately to the GOS. Thus, he has established himself neither (like LKY) as a visionary and dominant leader nor (like Goh) as a skilled consensus-builder.

¶4. (C) Rather, policy continuity has characterized Lee Hsien Loong's first three years in office. Retaining his portfolio as Minister of Finance, PM Lee remains most focused on the sound economic policies and strategic thinking that have produced Singapore's remarkable prosperity. The PM appears to have given the ministers a freer hand to develop and implement new policies, observed Lee Kuan Yew School of Public Policy Assistant Dean Kenneth Tan. The PM has kept a relatively low profile on many issues, but has reserved the right to step in at the end and have the final word. The one major policy initiative the PM is identified with is reversing a ban on organized gambling, when he decided in 2005 to license two casinos. If the economy continues to

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grow and stay competitive, the electorate will not question the People's Action Party's (PAP's) firm grip on power, argued National University of Singapore Professor Bilveer Singh.

Overshadowed by the Father

¶5. (C) However, PM Lee continues to be overshadowed by his father, LKY. In some ways, this is inevitable. LKY is a towering and larger-than-life figure. Despite his hardball approach to politics, he is widely hailed as a world-class strategic thinker and visionary nation-builder who transformed Singapore from a dirty Third World port city into a gleaming First World metropolis in less than two generations. This would be a tough act for anyone to follow. But LKY's need for control and street-fighter instincts have not diminished now that his son is PM. At critical moments, LKY seems unable to control an impulse to take center stage in public, leaving PM Lee to appear almost marginal. A classic example was during last year's parliamentary election, when LKY took over the PAP campaign and dominated the media coverage as he sought to crush a hapless opposition candidate (Ref B). Lee came off almost as a by-stander in his first campaign as PM, and the opposition seized on several of his gaffes to score political points. Another was during the debate earlier this year over the huge increase in ministerial salaries (Ref A). LKY has long been a proponent of paying GOS ministers very well and, with many people grumbling about the increase, LKY spoke in Parliament for the first time in two years to defend the raise and to savage an opposition MP who criticized it. On a regular basis, LKY's pronouncements are treated as front page news in the local press, on topics as varied as learning a second language to how Singaporeans are enjoying a "golden age." Even his musings on property prices and homosexuality are covered prominently in the press.

¶6. (C) Behind the scenes, it is unclear how much say LKY has over policy decisions. Ostensibly, he gave up control 17 years ago when he handed the premiership to Goh, and as

Minister Mentor, his job is to "mentor" younger ministers. When asked about LKY's role, PM Lee told the press in June that "All the routine business, we (the cabinet) settle. I think even the major issues, it's up to us to decide ... he (LKY) gives us the benefit of his perspective, his experience and judgment." Even so, few here believe the government would take any major policy decision without first obtaining LKY's support. And just recently, LKY spoke to the press about a future Singapore "after I am no longer in charge." What is clear is that LKY remains highly active, traveling to meet foreign leaders and speaking regularly on policy issues, firing off late-night emails to government ministers (according to a senior MFA official) and critiquing think-tank papers (according to one researcher.)

¶7. (C) Without public polling, it is difficult to gauge popular sentiment towards PM Lee. In the 2006 election, he was re-elected comfortably, but embarrassingly failed to match his party's percentage of the vote island-wide despite running against very weak opposition. A media relations firm CEO observed to us that the Prime Minister looked in his public appearances like a man who didn't enjoy his job. A group of prominent government critics we met with last fall surprised us by expressing genuine sympathy for the PM in light of LKY's dominant personality. One told us she believed Lee's instincts were toward a loosening of political controls more in keeping Singapore's developed status and the times, but that the strength of his father's character would prevent any real change as long as LKY is alive.

Let a Hundred Flowers Bloom - and Wilt

¶8. (C) Given LKY's stature and continued prominence, it is not surprising that PM Lee has been unwilling or unable to tone down Singapore's many restrictions on freedom of speech and assembly. In his first major address as PM, he encouraged Singaporeans to "speak your voice, be heard" and promised a greater openness for political dialogue. One ruling party MP told us that PM Lee had recognized the need for openness as a means to encourage creativity and risk taking in a society where many looked to the government to take the lead. The pay off would come by fostering the

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entrepreneurship and innovation Singapore's economy needed to stay competitive, but not lead to anyone challenging the PAP's political dominance. However, that early promise for more openness was quickly cast aside. In case after case, PM Lee and the GOS have maintained tight controls on political speech and discouraged people from speaking out or taking risks by: banning films (by Singaporeans) and foreign publications, suing critics for defamation, and jailing political opponents for going beyond accepted limits on public discourse. In one sad case in 2006, the police warned a bunch of school girls they might break the law if they wore "en masse" t-shirts with a tongue-in-check political image.

Comment

¶9. (C) PM Lee seems regularly to pass up opportunities to define himself as Singapore's true leader. In the short and medium term, he may not pay a political cost for this. The economy is humming along, the opposition remains weak and divided, and with LKY looking over everyone's shoulder, it is hard to imagine a rival emerging from within the tight-knit PAP.

¶10. (C) LKY's death will touch off a period of national angst -- he has been in control for so long that few in Singapore can remember life without him. If Singapore or the PAP were to face a major crisis during this period, PM Lee's failure to establish himself as a strong leader in his own right could come back to haunt him. He could be vulnerable and his leadership abilities would be tested like they never have

before. If no crisis occurs or the PM handles it effectively, Singapore's well-oiled PAP-led political system may very well chug along with Lee Hsien Loong serving another decade or more as Prime Minister.

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